

# USDA/Rural Development

WASHINGTON, D. C. 20250 - 0705

Media Contact: Taylor Oldroyd 202-720-1019

[toldroyd@rdmail.rural.usda.gov](mailto:toldroyd@rdmail.rural.usda.gov)

## **USDA ASSISTS WITH FINANCING ROCKY MOUNTAIN SUGAR GROWERS COOPERATIVE**

Washington, DC, May 1 2002 -- The U.S. Department of Agriculture today announced the approval of financing for cooperative stock purchases to help the new Rocky Mountain Sugar Growers Cooperative get started. The decision by USDA will help 485 local sugar beet growers purchase stock in the new cooperative and keep existing sugar refinery plants in operation in Colorado, Montana, Nebraska, and Wyoming.

"By utilizing Rural Development's Cooperative Stock Purchase Program, the department is helping keep existing sugar refinery operations in place, ensuring that sugar growers in the four state area have a place to process and market their crops, and aiding in the start of a new agricultural cooperative" Secretary Ann M. Veneman said. "USDA's cooperative programs collectively help farmers achieve successes they may not have been able to do individually. The sugar beet growers need ownership of these sugar factories if they are to stay in business."

Under the Cooperative Stock Purchase Program, USDA's Rural Business-Cooperative Service will guarantee over \$10 million of Wells Fargo Bank loans made to 485 sugar beet growers in the four states. Upon closing of the loans to the producers, Wells Fargo will be sharing the investment in the guaranteed loans with 12 other banks in the four states.

Rocky Mountain Sugar Growers Cooperative is purchasing the Western Sugar Company, with sugar factories located in the four states. Funds raised from the sale of the cooperative stock provide the equity needed by the cooperative to finance the acquisition.

USDA Rural Development serves as the lead federal entity for rural development needs and administers financial and technical assistance through three agencies: Rural Housing Service, Rural Business-Cooperative Service and Rural Utilities Service. Further information on USDA Rural Development can be obtained by contacting any USDA Service Center or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

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